



AMERICAN BROADCASTING · PARAMOUNT THEATRES, INC. ANNUAL REPORT 1958



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\*A subsidiary of the corporation

## OFFICERS

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EDITH SCHAFFER  
Assistant Secretary

MORTIMER WEINBACH  
Assistant Secretary



The cover highlights the Company's operations in the fields of broadcasting, motion picture theatres and records. The back cover shows our interests in electronics and Disneyland Park.



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EXECUTIVE OFFICES	7 West 66th Street, New York 23, N. Y.
INDEPENDENT ACCOUNTANTS	Price Waterhouse & Co.
TRANSFER AGENT	Bankers Trust Company
REGISTRAR	The Bank of New York

The Year in Brief		1958	1957
INCOME	ABC operating income	\$136,967,000	\$109,393,000
	Theatre operating income	94,280,000	95,280,000
	Merchandise sales and other income	13,574,000	11,204,000
	Total	\$244,821,000	\$215,877,000
EXPENSES	Operating and general expenses	\$218,432,000	\$190,948,000
	Interest	2,297,000	2,071,000
	Depreciation	6,847,000	7,283,000
	State, local and payroll taxes	6,001,000	5,790,000
	Federal income tax	5,900,000	4,885,000
	Total	\$239,477,000	\$210,977,000
NET PROFIT	Operations	\$ 5,344,000	\$ 4,900,000
	Capital gains (losses)	772,000	(6,000)
	Total	\$ 6,116,000	\$ 4,894,000
	Per share common:		
	Operations	\$1.21	\$1.10
	Capital gains	.19	—
	Combined	\$1.40	\$1.10
DIVIDENDS PAID	Total	\$ 4,471,000	\$ 4,482,000
	Per share preferred	\$1.00	\$1.00
	Per share common	\$1.00	\$1.00
	Number of preferred shares	320,799	323,399
	Number of common shares	4,149,363	4,149,363
FINANCIAL POSITION	Working capital	\$ 47,125,000	\$ 45,848,000
	Fixed assets (net)	\$ 66,298,000	\$ 68,917,000
	Long term debt	\$ 49,468,000	\$ 52,209,000
	Net worth	\$ 85,146,000	\$ 83,718,000
	Per share common	\$18.97	\$18.62
GENERAL	Stockholders of record	24,749	24,430
	Operating theatres	511	537
	ABC-TV Network affiliates	228	216
	ABC-Radio Network affiliates (as of 3/15/59)	330	299





## President's Letter to Shareholders

The year 1958 was a notable one in our Company's growth and progress. Total income reached a record high of \$244,821,000. Consolidated earnings after taxes increased to \$6,116,000 or \$1.40 per share from \$4,894,000 or \$1.10 per share in the prior year. Of this amount, net operating earnings after taxes rose to \$5,344,000 or \$1.21 per share from \$4,900,000 or \$1.10 per share in 1957. Net capital gains from the disposition of properties amounted to \$772,000 or 19¢ per share.

The ABC Broadcasting Division showed improvement in income and earnings. Our ABC Television Network made the most significant gains in the industry, primarily as a result of its programming success in the 1958-59 season. The network reported the largest increase in audience and the largest percentage increase in gross time billings of all the three networks. At the year end, four of the ten most popular programs were on our network. Historically, a buildup in audience circulation leads to increased advertising billings and in turn to greater profits. The network also launched in October a substantial block of new daytime programming which is of particular importance in creating a more fully competitive network programming structure.

Our five owned television stations maintained a prominent position in their respective communities and reported profitable improvement—reflecting their own fine local and public service programming as well as the strengthened programming on the network.

In radio, local stations have done well but radio networks, since the advent of television, have encountered increased difficulty in operating on a profitable basis.

We are keeping the ABC Radio Network loss to a minimum by streamlining the operation and yet providing the public, our affiliates and advertisers with a well balanced programming structure.

Theatre gross income was off slightly from 1957. Profits held about equal to the previous year's level, primarily due to operating economies and an extra week's business in the 1958 fiscal year. Even though the public is more selective in its entertainment tastes than in prior years, there is still a wide appeal for top quality motion picture entertainment. Pictures with strong audience attraction continue to show substantial box-office grosses. In keeping with our policy of divesting marginal properties, twenty-six theatres were disposed of during the year.

Our record company had a very successful year and reported increases in income and earnings over 1957. Many of its recordings rated among the most popular best sellers. Within the brief period of three years that Am-Par Records has been in operation, it has achieved major status in the recording industry.

Am-Par Records, together with ABC Films, our subsidiary company which sells films to television stations and advertisers, both expanded their operations in the growing international market. Thus established, and gaining experience in the foreign field, we are also actively looking into international television which holds great promise for the future. A minority interest is being acquired in News Limited, an Australian company, principal owner of a television station to begin operation this Fall, and with interests in the newspaper, magazine publishing and radio broadcasting fields. This entry into one of the fast growing world television markets should prove mutually beneficial.

As to our other interests, Disneyland Park, the amusement center in which we have a 35% stock interest, reported record income and attendance and is adding amusement attractions in order to better accommodate the increasing number of visitors. The electronic companies in which we also have a stock interest, reported overall increased business and better operating results. While we have not realized dividend income from these investments, our equity has appreciated.

Our financial position continues to be very strong and effectively serves our present needs and those in the foreseeable future, particularly the capital requirements needed for the expansion in programming and in physical facilities for television.

Our continuing progress is in great measure due to the ability and diligence of our employees in all branches of our diversified enterprise. We are appreciative of their contribution as we are of the support and confidence expressed by our stockholders throughout the year.

Sincerely,

*Leonard H Goldenson*

President

March 16, 1959



## Financial and Operating Review

Consolidated earnings after taxes in 1958 increased to \$6,116,000 or \$1.40 per share from \$4,894,000 or \$1.10 per share for the previous year. Of this amount, operating earnings after taxes rose to \$5,344,000 or \$1.21 per share from \$4,900,000 or \$1.10 per share. The 53 weeks in the 1958 fiscal year (which compared with a 52 week fiscal year in 1957) was beneficial to the results shown for our theatres but was not an appreciable factor in broadcasting. The increase in operating expenses was principally due to the expanding requirements of our television business. Net capital gains amounted to \$772,000 or 19¢ a share from the sale of theatre properties and collections from deferred portions of previous years dispositions.

### NET EARNINGS

	1958	1957
Operations	\$5,344,000	\$4,900,000
Capital gains (losses)	772,000	(6,000)
Total	<u>\$6,116,000</u>	<u>\$4,894,000</u>
Preferred dividends paid	\$ 322,000	\$ 334,000
Net applicable to common	<u>\$5,794,000</u>	<u>\$4,560,000</u>
Per share common:		
Operations	\$1.21	\$1.10
Capital gains	.19	
Combined	<u>\$1.40</u>	<u>\$1.10</u>

### NET EARNINGS AFTER TAXES

Total dividends paid to our shareholders in 1958 were \$4,471,000. Of this amount, \$4,149,000 or \$1.00 a share represented common stock dividends.

### DIVIDENDS

**INCOME**

Total income was \$244,821,000, the highest in the Company's history. Of this amount, the ABC Division showed the most significant increase to \$136,967,000 from \$109,393,000 in 1957. Theatre income was down slightly to \$94,280,000 from \$95,280,000. Miscellaneous income increased to \$13,574,000, the major portion of the increase coming from our record company.

**TAXES**

The Company's tax payments remained high and are detailed in the table below.

**TAXES**

	1958
Federal income (including \$252,000 applicable to capital gains, net) .....	\$ 6,152,000
Real estate, personal property and State franchise ...	4,087,000
State income .....	124,000
Payroll taxes .....	1,233,000
Sales, gross receipts, etc. ....	557,000
Total .....	<u>\$12,153,000</u>

**LONG TERM DEBT**

Under the agreement which our Company concluded in December 1956 with Metropolitan Life Insurance Company and five banks, there was outstanding on January 3, 1959, \$5,000,000 of 3.95% notes, payable semi-annually from July 1, 1960 to January 1, 1962, and a 4.2% note in the amount of \$42,500,000 having serial maturities from July 1, 1962 to July 1, 1977. The 3.95% notes were issued to the five banks in December 1956 and, in accordance with the Company's policy of staying one year ahead of payment of debt maturities, two semi-annual maturities, aggregating \$2,500,000, were prepaid during the year. The 4.2% note was issued to the insurance company on May 31, 1957, \$33,834,000 of the proceeds being applied to the balance then owing to the insurance company, the remaining proceeds being added to working capital. The loan agreement provides for an additional \$5,000,000 to be taken down during the first nine months of 1959 plus a further \$5,000,000 at the option of the Company. The additional borrowing, and the optional borrowing, if taken down, will be evidenced by 4.2% notes maturing on January 1, 1978.



At the year end, book value of the common stock was \$78,730,000 or \$18.97 per share. This compared with \$77,251,000 or \$18.62 per share at the close of 1957.

# **BOOK VALUE OF COMMON STOCK**

Working capital of \$47,125,000 at the year end increased \$1,277,000 over the previous year. The cash position remained strong with cash and government securities at \$31,630,000.

# **SOURCE AND APPLICATION OF FUNDS**

Total depreciation amounted to \$6,847,000 of which \$5,083,000 was applicable to our theatres, \$1,641,000 to our ABC Division and \$123,000 to other non-theatre properties. Of the theatre depreciation \$1,298,000 was reinvested in property additions and improvements. ABC capital expenditures of \$4,719,000 principally comprised the expanding physical facilities of the television network and the recently completed integrated facilities of our radio and television stations in Detroit. Fixed asset additions of subsidiaries engaged in other operations amounted to \$385,000.

	1958
Working capital at December 28, 1957	\$45,848,000
Source of funds	
Net income from operations	\$ 5,344,000
Provision for depreciation	6,847,000
Cash proceeds from capital gains transactions, after taxes thereon	2,097,000
Collection of advances to affiliated companies	775,000
	<u>15,063,000</u>
	\$60,911,000
Application of funds	
Dividends paid—Preferred	\$ 322,000
Common	4,149,000
Purchase of preferred stock	50,000
Fixed asset additions and replacements	6,402,000
Investments in affiliated companies	122,000
Prepayments of loan agreement debt maturities	2,500,000
Other, net	241,000
	<u>13,786,000</u>
Working capital at January 3, 1959	<u>\$47,125,000</u>

# **SOURCE AND APPLICATION OF FUNDS**

## MANAGEMENT

Our continuing program to maintain and build a strong management organization, particularly in the expanding broadcasting division, resulted in the following executive appointments. Except for Mr. Chester, who came to ABC to take charge of the new daytime television programming, all appointments were from within the Company.

SIMON B. SIEGEL Financial Vice President of the Corporation  
JAMES G. RIDDELL Vice President in charge of the Western Division of ABC  
OLIVER TREYZ President of the Television Network  
KERMIT CARR President of Paramount Gulf Theatres  
SLOCUM CHAPIN Vice President for the Western Division, TV Network Sales  
GIRAUD CHESTER Vice President in charge of TV Daytime Programming  
SANFORD CUMMINGS Vice President, Program Department, Western Division, TV Network  
DONALD W. COYLE Vice President and General Sales Manager, TV Network  
EDWARD DEGRAY Vice President in charge of the Radio Network  
THEODORE H. FETTER Vice President and Program Director, TV Network  
HENRY HEDE Vice President and Administrative Sales Manager, TV Network  
THOMAS W. MOORE Vice President in charge of TV Programming  
WILLIAM P. MULLEN Vice President in charge of TV Network Sales  
HENRY G. PLITT President of ABC Films, Inc.  
STEPHEN RIDDLEBERGER Vice President for Owned and Operated Stations  
JOSEPH STAMLER Vice President and General Manager, Station WABC-TV, New York  
WILLIAM TREVARTEN Vice President in charge of Production Services of ABC

Our Company maintained its recruitment program in many leading colleges and graduate business schools in order to attract qualified young people.

For better administration, the offices of the Corporation at 1501 Broadway were consolidated with the ABC Division offices at 7 West 66th Street, New York City.

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It is with deep sorrow that we record the passing of Edward J. Noble, a director and Chairman of the Finance Committee of the Board of Directors, and of Harold Brown, president of United Detroit Theatres, one of our theatre subsidiaries. Mr. Noble was a pioneer in the broadcasting industry and had an outstanding career in business, civic and philanthropic affairs. Mr. Brown was a leader in his community as well as in theatre exhibition.

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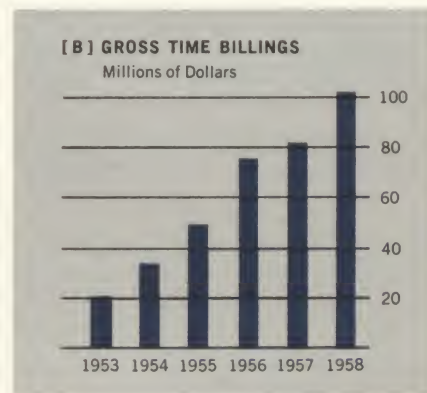
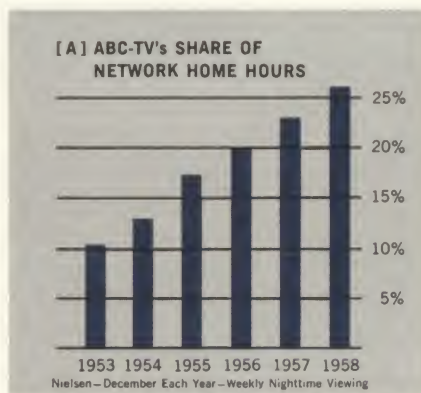
## Television

**a** During 1958, television in general continued its dynamic development as the largest and fastest-growing medium of entertainment and advertising. Our ABC Television Network concurrently was growing, and continues to increase its strength and stature at a faster rate than the medium as a whole. Much remains to be done before we arrive at a position of network leadership, but with our advances during 1958 we have made significant gains in that direction.

During 1958, our television network's evening programming strength continued to build on the extensive base laid down at the outset of the 1957-58 season. At the turn of the year, rating reports indicated that ABC Television was the leading network on three nights of the week, with four programs included in television's most popular top ten shows.

On Sunday night *MAVERICK*, which last season broke the ten-year dominance of the other networks, has been augmented by *THE LAWMAN*, a series which quickly established its audience leadership. On Tuesday night *CHEYENNE*,

### PROGRAMMING



**HIGHLIGHTS OF THE 1958-59 ABC TELEVISION SEASON** 1 Sylvania Award-winning "Art Carney Meets Peter and the Wolf". 2 Drama and suspense on "77 Sunset Strip". 3 Bing Crosby stars on his special show with guests Patti Page and Dean Martin.



SUGARFOOT and WYATT EARP continue to dominate their time periods. RIFLEMAN, added this season, became one of the most popular shows of the current season. On Thursday LEAVE IT TO BEAVER, ZORRO, THE REAL McCOYS and PAT BOONE provide balanced programming with wide audience appeal. On Friday, WALT DISNEY PRESENTS, one of our finer family programs, leads its time period. Another new program, 77 SUNSET STRIP, is also reaching a vast audience. A significant development of the past year has been the emergence of Dick Clark as a major television personality, starring in a daytime and an evening program. Further exploitation of this dynamic young man's tremendous appeal and talent is being planned.

Special programs have added to the network's stature and strength. The BING CROSBY SHOW and ART CARNEY MEETS PETER AND THE WOLF were acclaimed both by the critics and the public. More special shows are being planned which will include Bing Crosby and Art Carney, among others.

During 1958, the television network took a major step toward full competitive status by substantially expanding its programming in the daytime period by the addition of six new programs. This was the largest single block of programs in the history of broadcasting ever launched by a network at one time. This new daytime programming, which commenced in October, 1958, takes time to build audience loyalty. It should continue to add a new dimension to our income potential.

All available audience data give the unmistakable indication of the television network's increase in strength over 1957. The most widely accepted research, that of the A. C. Nielsen Company, showed that, at the close of 1958, ABC was the only network to increase its average audience in the evening—up 14% over the previous year. The network's average evening circulation increased by almost a million and one-half homes, well in excess of the other two networks. An indication of growth is found in ABC-TV's increased share of nighttime home viewing hours which, as shown in Graph A on page 10, has risen from 10% of the three network total in 1953 to 26% in 1958. Historically, billings follow audience circulation and Graph B indicates the rise in ABC-TV's gross billings over the five year period. This growth in audience, which is particularly important to advertisers, has attracted many new sponsors to the network.

During the past year, the network made important gains in the number of stations and in its ability to reach the nation's television homes, increasing the number of its primary affiliated stations from 79 to 92 and its direct live coverage of U.S. television homes from 82% to 86%.

The management organization has been materially strengthened to meet the requirements of an expanding operation. Under the supervision of its president, Oliver Treyz, the sales and research departments have been more effectively integrated and the program department has been materially enlarged. At the same time, the Company's long range plans for additional facilities are moving ahead. A technical building was completed this year at the Television Center in

#### **FACILITIES AND OPERATIONS**



**AMONG ABC-TV PROGRAMS CATERING TO A VARIETY OF PUBLIC TASTES** 1 In music, two leading ABC Television personalities—Dick Clark and Pat Boone. 2 Action with the stars of "Cheyenne", "Sugarfoot", "Maverick", "Colt .45" and "The Lawman". 3 Fun with audience participants on daytime's "Beat the Clock". 4 "Report Card '58"—award-winning public service program produced by John Daly and his news staff. 5 U.S. missile experts in roundtable discussion with ABC newscaster John Secondari on "Open Hearing".





Hollywood. New facilities are planned both in New York and on the West Coast.

ABC has stayed in the forefront of new technical developments. The television network in conjunction with the ABC Radio Network, presented the first network program in stereophonic sound. Videotape, already an integral part of our television operations, is now being augmented to meet requirements and plans set during the past year. New videotape machines have been purchased, giving the network a total of 22 such machines — six in New York, eight in Chicago and eight in Hollywood. This equipment will mean added operational flexibility to the network and will provide better service at all points.

The News Department scored major achievements in three areas during the year; in coverage of outstanding special events as they occurred, in documentary programming and in the inauguration of a second night-time network news program. The year began auspiciously when the documentary program, PROLOGUE 1958, received the Peabody Award for Television News. REPORT CARD '58, a study of the nation's educational system, won the plaudits of the press, public and the National Education Association, and is now being widely employed by educational groups across the country. YOUTH ANONYMOUS, a special report on juvenile delinquency, gained wide recognition.

ABC distinguished itself in coverage of the most critical news event of the year, the Middle East crisis which brought the landing of U.S. troops in Lebanon. Correspondents and cameras were dispatched to Cairo, Beirut and Baghdad, and commercial programs were cancelled to cover the fateful meeting of the United Nations that averted the threat of war. John Secondari, ABC's news bureau chief in Washington, was sent to Rome to cover the coronation of Pope John XXIII following the death of Pope Pius XII. The series of programs from the Vatican was praised by critics and Vatican sources. ABC became the only network with two regular nighttime news programs on a daily basis. In addition to the 7:15 PM news, which continues into its sixth year, a second complete news program was added to the weekday schedule at 10:30 PM Monday through Friday.

It was a year of major news stories. In addition to the Middle East and the Vatican succession, TV News staffed the Algerian revolt and the return of General de Gaulle, the crisis in the Formosa Strait, the resignation of Presidential Assistant Sherman Adams, the national political campaigns and elections, and the business recession and recovery. Full co-operation was provided in public service announcements for government agencies and philanthropic causes, and a full schedule of programs devoted to the public interest. Among the regular programs sustained in this group were JOHNS HOPKINS FILE 7, BISHOP PIKE, COLLEGE NEWS CONFERENCE and OPEN HEARING.

#### NEWS AND PUBLIC AFFAIRS

## Radio

Radio networks have had difficulty in adjusting to the changes brought on by the advent of television. Audience listening habits have changed and advertising expenditures have shifted more to local stations. To best meet these conditions, our radio network operation was streamlined and new management was installed in April. Since then costs have been reduced and programming has been revised. It appears that the changes in the programming structure will have a greater attraction to audiences and to network affiliated stations.

In programming, "Don McNeill's Breakfast Club," with increasing sponsorship, has maintained a leading position in the morning time period. Adding a new dimension to radio, the first network stereophonic program of the "Plymouth Show starring Lawrence Welk" was presented by ABC Radio in conjunction with ABC-TV. The excellent response resulted in sponsorship on the radio network by Plymouth and created interest for other television advertisers in stereo simulcasts. Other significant new sponsored programming included the Peter Lind Hayes-Mary Healy Show and the exclusive coverage of the Notre Dame football games.



Don McNeill, popular host of the "Breakfast Club", celebrates 25 years on radio with Fran Allison

## NEWS AND PUBLIC AFFAIRS

In a year replete with challenging news stories, the ABC reportorial staff was expanded at home and abroad to provide improved service to the public and the affiliated stations. This included the establishment of a full-time bureau in Cairo and strengthening of the Washington staff. The daily 8:00 AM News Around the World program, with Bill Shadell, was inaugurated in June to bring in direct reports from overseas and domestic points. Within weeks, General de Gaulle brought off his peaceful revolution in France and American troops landed in Lebanon in the wake of the Iraq revolution. ABC scored a notable "scoop" in its exclusive broadcast of General de Gaulle's speech when he made his political intentions known to the French people. And the foreign staff provided first-rate coverage of the Middle East crisis, obtaining the first uncensored reports broadcast from Baghdad on the assassination of the King and Prime Minister of Iraq. A news-alert system was installed by which affiliated stations could be warned immediately of forthcoming bulletins and special programs. As a result, ABC was able to provide to its stations complete coverage of the



Middle East crisis as it unfolded at the United Nations. In keeping with current trends, news commentary of five minutes length was scheduled five times each day throughout the week in addition to the regular schedule of news programs. News programs continued to be among the most attractive to commercial clients. The network maintained a balanced program of special events and public affairs, including the President's weekly news conferences, programs representing labor and management, the three major religious faiths, the U.S. Agriculture Department and various educational institutions and philanthropies.

## Owned Stations

Our Company owns and operates five television and five radio stations which are located in six of the eight leading markets of the country—New York, Chicago, Detroit, Los Angeles, San Francisco and Pittsburgh. It also owns a one-half interest in a radio station in Chicago.

The television stations continued to report profitable improvement as they derived particular benefit from the strengthened network programming. The radio stations can also be expected to show improved results as a consequence of the changes made during the year both in local management and programming and in the radio network operation.

These stations, through their local programming and public service activities, have established leading positions in their respective communities. In Chicago, Station WBKB-TV rendered distinguished community service by its exclusive telecast of the U.S. Senate Rackets Committee investigation of the local restaurant industry. It also inaugurated a new and unique weather forecasting program, "Weather by Radar", employing radar for the first time in Chicago and one of the first times in the country.

Recently completed integrated offices and facilities of ABC's television station WXYZ-TV and radio station WXYZ in Detroit.



In Los Angeles, Station KABC-TV has achieved an enviable record in creating live programming that has not only contributed importantly to the station's individuality in its community but has also qualified for network use. It was virtually the first station to develop the unrehearsed courtroom show such as "Traffic Court" and "Day in Court". Radio Station KABC, in its program "Operation Airwatch", was the first station in the country to utilize a helicopter for a traffic guidance service.

In Detroit, Station WXYZ-TV received many citations including the National Television Award of the Big Brothers Organization for its weekly program on juvenile delinquency, "Youth Bureau". The station also carried three programs weekly—"Understanding Our World", "Understanding Our Numbers" and "Accent"—obtained through the Detroit Educational Television Organization and produced by the University of Michigan and other leading schools. Radio Station WXYZ, "the station on wheels for the city of wheels", utilized mobile units for on-the-spot coverage and traffic safety. On January 18, 1958, the Mayor and the City Council declared WXYZ Day in recognition of the station's many community service activities.

Station KGO was the first major station in the San Francisco area to inaugurate stereophonic broadcasting on a daily basis. A cultural program series of great community interest was "Opera Curtain Time", broadcast from backstage at the San Francisco Opera. The local program that probably achieved the greatest public interest of the year was KGO-TV's special telecast on the welfare and status of the Navajo Indian tribe of New Mexico.

Typical of the many community activities of station KQV in Pittsburgh was its unusual day-long program on behalf of the Pittsburgh United Fund Campaign.

Among the noteworthy programs of local interest carried by Station WABC-TV in New York City were "The Written Word", a series depicting the progress of human records with host Dr. Frank Baxter, and the "Mayor's Press Conference" — highlighting discussions and questions of community significance. During the newspaper strike in December, the station's regular news coverage was supplemented with eleven special daily news programs, preempting commercial time. For the year 1958, a total of 4300 public service spot announcements were carried for national as well as local causes. Radio Station WABC, in cooperation with city agencies, conducted an effective campaign on pedestrian safety in connection with the opening of the public schools.

## Theatres

Our theatre gross income was off slightly from the previous year. Earnings were approximately equal to the 1957 level primarily due to operating economies and to an additional week's business in the 1958 fiscal year compared with 1957.

With more leisure time and a greater variety of leisure time activities, there has been keener competition for the public's entertainment expenditures. The





**MOTION PICTURE HIGHLIGHTS IN 1959**  
 1 "Last Train from Gun Hill" with Kirk Douglas. 2 Disney's "Sleeping Beauty". 3 Cary Grant in "North by Northwest". 4 "They Came to Cordura" starring Gary Cooper and Rita Hayworth. 5 "The Naked Maja" with Ava Gardner. 6 John Wayne and Dean Martin in "Rio Bravo". 7 "This Earth is Mine" with Jean Simmons and Rock Hudson. 8 "The Diary of Anne Frank".



public has become more selective in its movie going but still continues to seek out good motion picture entertainment in theatres.

That the motion picture theatre business remains an important segment of the entertainment industry is indicated by the still very substantial size of the audience and the amount of money spent by the public. During 1958, it is estimated that approximately 40 million people attended motion picture theatres per average week and spent close to \$1,200,000,000 for admissions.

Production companies have been placing emphasis on making fewer but more expensive and higher quality films. While pictures with great box office appeal are needed in today's market, the release of these pictures has generally been concentrated during the major holiday seasons rather than being spaced evenly throughout the year. Our Company has taken a leading position in attempting to achieve a more even flow of pictures to offset periods of short supply, and has enlisted the aid of exhibitors in convincing distributors that such a policy would be beneficial to the entire industry.

Some of the top attractions that will be released by the major production companies in 1959 are indicated on the previous page. Among other fine pictures that are expected to be shown in theatres during the current year are: BEN HUR starring Charlton Heston, GREEN MANSIONS with Audrey Hepburn and Anthony Perkins, Samuel Goldwyn's production of PORGY AND BESS, ANATOMY OF A MURDER with James Stewart, SPARTACUS with Kirk Douglas and Laurence Olivier, SOME LIKE IT HOT starring Marilyn Monroe, Tony Curtis and Jack Lemmon, SOLOMON AND SHEBA with Yul Brynner and Gina Lollobrigida, THE HORSE SOLDIERS featuring John Wayne and William Holden, THE NUN'S STORY with Audrey Hepburn, THE TEMPEST with Van Heflin and Silvana Mangano, ONE-EYED JACKS starring Marlon Brando and SAY ONE FOR ME starring Bing Crosby.

World Premiere of "Mardi Gras" starring Pat Boone at our Saenger Theatre in New Orleans.





Our Company is aggressively continuing its policy, in effect for several years, to divest marginal or uneconomic properties. During the past year, twenty-six theatres were disposed of either through lease termination or expiration, commercialization or sale. At the year end, our Company operated through subsidiaries 511 theatres. Further dispositions will be made, as the desired purchasers are found, with the view toward retaining only those theatres with the best earnings potential. At the same time, economies are being made wherever possible.

## THEATRE PROPERTIES

Our theatres are operated on a decentralized policy through subsidiary companies which are located in thirty-six states. We are fortunate to have executives in charge of these circuits who are recognized both in the industry and in their communities for their outstanding ability and leadership. They, together with their local theatre management personnel, are responsible for the leading position maintained by our theatres in providing fine entertainment, convenience, comfort and courtesy to patrons and for effective business management and responsible community participation.

## THEATRE OPERATIONS

The circuits as they are known locally that comprise our theatre operation and the states in which they are located are indicated below.

ARIZONA PARAMOUNT THEATRES *Arizona*  
 BALABAN & KATZ THEATRES *Illinois, Indiana, Ohio*  
 CALIFORNIA PARAMOUNT THEATRES *California*  
 FLORIDA STATE THEATRES *Florida*  
 INTERMOUNTAIN THEATRES *Utah, Idaho*  
 INTERSTATE THEATRES *Texas*  
 MINNESOTA AMUSEMENT THEATRES *Minnesota, Wisconsin, North and South Dakota*  
 NEW ENGLAND THEATRES *Massachusetts, Maine, Vermont, New Hampshire, Connecticut and Rhode Island*  
 NORTHIO THEATRES *Ohio, Kentucky*  
 PARAMOUNT GULF THEATRES *Louisiana, Mississippi, Alabama, Florida, Texas*  
 PARAMOUNT PICTURES THEATRES CORP. *New York, Pennsylvania*  
 PENN PARAMOUNT THEATRES *Pennsylvania*  
 TENARKEN PARAMOUNT THEATRES *Arkansas, Kentucky, Tennessee*  
 TEXAS CONSOLIDATED THEATRES *Texas*  
 TRI-STATES THEATRES *Iowa, Nebraska, Illinois, Missouri*  
 UNITED DETROIT THEATRES *Michigan*  
 WILBY-KINCEY THEATRES *Alabama, Georgia, North and South Carolina, Tennessee, Virginia, West Virginia*



1 Eydie Gormé, top rated songstress, discusses a musical arrangement at her recording session. 2 Paul Anka receives a Gold Record for achieving one million record sale in England from Joseph F. Lockwood, Board Chairman of EMI. 3 Harmonica virtuoso, Leo Diamond, records his ABC-PARAMOUNT album in stereo. 4 Popular balladeer, Johnny Nash, listens to "play-back" of his latest recording success "As Time Goes By".

## Records

Our record subsidiary, Am-Par Record Corp. made notable progress in 1958 with marked improvement in sales and earnings. Within the short period of three years that it has been in operation, it has achieved major status in the recording industry.

The successful build-up of many of the contract artists on the label was evident this past year, including well-known singers such as Eydie Gormé, Paul Anka, George Hamilton IV and Johnny Nash. Miss Gormé is acknowledged to be among the top recording stars, with her long-playing albums high on the best-selling charts; Paul Anka has already become a strong international favorite, recognized in many countries as one of America's prime teenage record artists; the distinctive quality of George Hamilton IV has made him one of the most consistent sellers in the record industry; and talented Johnny Nash has already been cast in two major motion pictures as a result of what is considered to be one of the finest ballad voices in many years.



Two major strides which our record company made during this past year were the establishment of a subsidiary label, APT, and the important entry into stereophonic record production. "Little Star", one of the APT records released in May, was listed in the "Top Ten" charts in all trade journals, with total sales to date exceeding 750,000 records. Records under the APT label have generally received very good reception and it should prove to be a fine complement to the ABC-PARAMOUNT label. The current practice of leading record companies in distributing lesser-known labels which has already shown definite signs of commercial success, was pioneered by Am-Par; this practice being particularly advantageous in strengthening the company's distributors.

Recognizing the great potential in stereophonic sound, Am-Par was among the first to issue records in both monaural and stereophonic sound. Its stereo catalogue will continue to increase.

The foreign market is also a factor of major significance. The popularity in many countries of Am-Par's recording artists, particularly Paul Anka, was reflected in the marked increase in business this past year with assurance of further growth in the international market.

In the single record market ABC-Paramount releases have been regularly represented in the ranking trade charts. By the year end, Am-Par had released about 370 single records and 230 long-playing albums.

## Film Syndication

ABC Films, Inc., a subsidiary company, continued to expand its sales of programs to television stations and advertisers both in this country and abroad.

During 1958, it entered into a second year of production of its most successful series, "26 Men", which has been sold in over 200 markets. Several new programs for syndication were added to its roster including "The People's Choice" and "The Adventures of Jim Bowie".

In enlarging the scope of its operation, ABC Films joined with Joseph Schenck Enterprises in forming a new company, World Television Programming, Inc., to produce programs for network and syndication. One of its shows, "One Step Beyond", is currently on the ABC Television Network.

ABC Films has been active in the foreign market and many of its programs have been dubbed in Spanish for use in Latin American and European countries. Plans are presently under way to broaden its participation in the rapidly growing international television field.

Production shot from "One Step Beyond"—  
series currently on ABC-TV  
Network's "Alcoa Presents" program



## Electronics

Through our present interest in three electronic companies, we have established a small but solid position in a growing field, with an increasing opportunity to utilize their resources and skills in matters that may have technical application to various divisions of our communications enterprise.

Typical of growth companies in this field, their earnings are reinvested in the business. Consequently we have derived no income from them through dividends. However, our overall equity has appreciated considerably. Also, the market value of our stock interest in the two companies whose stock is publicly traded is substantially in excess of our investment of approximately \$800,000 in the three companies.

**Microwave Associates Inc. (28% interest)** Microwave develops and manufactures microwave equipment, radar components and magnetrons with many of its new semi-conductors and tubes incorporated in the production of a variety of the nation's missiles. This company is in the forefront in the production of the new varactor diode which shows promise of replacing many existing vacuum tubes and transistors. With an appreciable increase in sales and earnings and a backlog at the highest point in its history, a new 18,000 square foot wing is being added to the plant and an adjoining seven acres has been acquired in order to accommodate its continued growth.

**Technical Operations, Inc. (26% interest)** Technical Operations' main source of its increasing revenue stems from research and development programs for industrial clients and government agencies. Programs of commercial potential include the development of a grainless photographic film, computer application to freighter operation and transistorized power converters; while programs of national importance include its studies on defense from nuclear radioactive fallout.

Scientists of Technical Operations dropping flashbulb clusters from airplane for study of electromagnetic transmission through the atmosphere.





Power Sources Inc., a subsidiary jointly owned with Microwave Associates, has developed and is producing transistorized power sources which are used by television stations and in missile defense industries.

**Dynametrics Corp. (33% interest)** This company, whose plant adjoins those of the companies mentioned above in Burlington, Massachusetts, is most active in contract engineering services and instrumentation manufacture primarily for the aircraft industry, laboratories and government agencies. This past year, its product line was expanded to include force and pressure measurement systems which are used in many industries.

## Disneyland Park

Disneyland Park, in which our Company has a 35% stock interest, reported record attendance and revenue in its fourth year of operation. The Park, considered the outstanding amusement attraction of its kind in the country, has been visited since its opening in July, 1955 by more than thirteen million people. Year around, it is estimated that a total of 47% of Disneyland's guests come from outside California.

The number of attractions, now totalling forty-four, has been doubled since the Park's opening in order to build audience appeal and to better accommodate the influx of visitors, particularly during the peak summer months. Among the exciting new rides added this year were the three masted sailing ship "Columbia", STORYBOOK LAND viewed from European canal boats, the breathtaking GRAND CANYON DIORAMA, largest in the world and the lofty SKYWAY gliding high above the Park. Major new attractions being planned by Walt Disney and his associates include underwater submarine rides, a 146 foot scale replica of the Matterhorn complete with a bobsled ride and a monorail rapid transit ride.

One of the popular rides around the park on the Disneyland Train.



# American Broadcasting • Paramount Theatres, Inc.

## ASSETS

	January 3, 1959	December 28, 1957
<b>CURRENT ASSETS:</b>		
Cash . . . . .	\$ 24,207,200	\$ 22,419,131
United States government securities, at cost which approximates market . . . . .	7,422,806	8,265,340
Accounts and notes receivable, less reserves:		
Accounts receivable, trade . . . . .	22,194,885	18,671,758
Notes receivable from disposal of theatre interests since January 1, 1950 . . . . .	143,145	185,472
Affiliated companies . . . . .	121,952	220,667
Officers and employees . . . . .	148,002	131,864
Sundry notes and accounts . . . . .	2,390,876	1,697,418
Broadcasting program rights, film costs and production advances, less amortization . . . . .	8,056,225	8,976,282
Inventory of merchandise and supplies, at cost or less . . . .	997,174	959,288
<b>Total current assets</b> . . . . .	<u>65,682,265</u>	<u>61,527,220</u>
<b>INVESTMENTS, LESS RESERVES (See Note A):</b>		
Affiliated companies:		
Capital stocks . . . . .	5,357,753	5,244,369
Advances . . . . .	1,441,453	2,180,881
Notes receivable from disposal of theatre interests since January 1, 1950, due after one year . . . . .	642,821	468,902
Other notes and accounts due after one year . . . . .	341,398	884,035
Miscellaneous . . . . .	2,658,066	2,010,588
	<u>10,441,491</u>	<u>10,788,775</u>
<b>FIXED ASSETS (See Note B):</b>		
Land . . . . .	22,997,218	23,672,725
Buildings, equipment and leaseholds . . . . .	104,304,689	109,882,247
Less—Reserves for depreciation and amortization . . . .	(61,004,185)	(64,637,969)
	<u>66,297,722</u>	<u>68,917,003</u>
INTANGIBLES, at cost . . . . .	9,375,350	9,375,350
<b>OTHER ASSETS:</b>		
Deposits to secure contracts . . . . .	1,082,002	872,885
Prepaid expenses and deferred charges . . . . .	3,001,313	2,644,580
	<u>4,083,315</u>	<u>3,517,465</u>
	<u>\$155,880,143</u>	<u>\$154,125,813</u>



# Consolidated Balance Sheets

## LIABILITIES AND CAPITAL

	January 3, 1959	December 28, 1957
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses (including unremitted collections of admission and payroll taxes—January 3, 1959, \$862,695) . . . . .	\$ 18,384,921	\$ 15,250,050
Federal taxes on income, estimated . . . . .	4,570,871	3,640,510
Less—U. S. Treasury notes . . . . .	(4,570,871)	(3,640,510)
Notes and mortgages payable within one year . . . . .	172,554	429,035
<b>Total current liabilities</b> . . . . .	<u>18,557,475</u>	<u>15,679,085</u>
<b>FUNDED DEBT DUE AFTER ONE YEAR:</b>		
Notes issued under Loan Agreement (See Note C) . . . . .	47,500,000	50,000,000
Other notes and mortgages . . . . .	1,968,421	2,209,184
<b>OTHER LIABILITIES:</b>		
Advance payments, self-liquidating . . . . .	1,450,797	1,444,168
Miscellaneous . . . . .	1,006,784	845,115
<b>Total liabilities</b> . . . . .	<u>70,483,477</u>	<u>70,177,552</u>
<b>INTEREST OF MINORITY STOCKHOLDERS IN CAPITAL AND SURPLUS OF SUBSIDIARY COMPANIES</b> . . . . .	<u>250,603</u>	<u>229,735</u>
<b>CAPITAL STOCK AND SURPLUS (See Note D):</b>		
5% Preferred stock, authorized 324,701 shares, \$20 par value		
Shares issued . . . . . 324,699-28/100ths	6,493,986	6,493,986
Less—Shares held in treasury . . . . . 3,900		
Shares outstanding . . . . . <u>320,799-28/100ths</u>		
Common stock, authorized 5,000,000 shares, \$1 par value		
Outstanding—4,149,363-14/38ths shares . . . . .	4,149,363	4,149,363
Capital surplus . . . . .	45,741,789	45,909,302
Earned surplus . . . . .	28,835,985	27,190,887
	<u>85,221,123</u>	<u>83,743,538</u>
Less—Cost of preferred shares in treasury . . . . .	75,060	25,012
	<u>85,146,063</u>	<u>83,718,526</u>
	<u>\$155,880,143</u>	<u>\$154,125,813</u>

## Consolidated Profit and Loss and Surplus Accounts

### PROFIT AND LOSS ACCOUNT

	1958	1957
<b>INCOME:</b>		
Theatre admissions, rentals and vending profits . . . . .	\$ 94,279,485	\$ 95,280,214
Television and radio time and program sales, less discounts, rebates and commissions to advertising agencies . . . . .	136,967,316	109,393,113
Dividends from affiliated companies . . . . .	227,153	79,210
Merchandise sales, film rentals and other income . . . . .	13,347,287	11,124,489
	<u>244,821,241</u>	<u>215,877,026</u>
<b>EXPENSES:</b>		
Theatre and broadcasting operating expenses, cost of merchandise sold, film costs, selling and administrative expenses and sundry taxes . . . . .	224,391,443	196,733,059
Interest expense . . . . .	2,296,525	2,070,974
Depreciation and amortization of buildings, equipment and leaseholds . . . . .	6,846,578	7,282,735
Profits applicable to minority holders of stocks of subsidiary companies . . . . .	42,685	5,017
Federal income tax . . . . .	5,900,000	4,885,000
	<u>239,477,231</u>	<u>210,976,785</u>
<b>PROFIT FROM OPERATIONS . . . . .</b>	<u>5,344,010</u>	<u>4,900,241</u>
<b>CAPITAL GAINS (LOSSES), net, after applicable Federal income tax and, in 1958, \$200,000 reserve for losses on collections . . . . .</b>	<u>772,050</u>	<u>(5,717)</u>
<b>PROFIT FOR THE YEAR . . . . .</b>	<u>\$ 6,116,060</u>	<u>\$ 4,894,524</u>

### SURPLUS ACCOUNTS

	Earned	Capital
<b>BALANCE AT BEGINNING OF YEAR . . . . .</b>	<u>\$ 27,190,887</u>	<u>\$ 45,909,302</u>
<b>ADD or (DEDUCT):</b>		
Profit for the year . . . . .	6,116,060	
Dividends paid in cash:		
5% Preferred stock at \$1.00 per share . . . . .	(321,599)	
Common stock at \$1.00 per share . . . . .	(4,149,363)	
Settlements and costs of anti-trust litigation applicable to period prior to December 31, 1949 (See Note D) . . . . .		(167,458)
Other changes . . . . .		(55)
<b>BALANCE AT END OF YEAR . . . . .</b>	<u>\$ 28,835,985</u>	<u>\$ 45,741,789</u>



## Notes to Consolidated Financial Statements

### BASIS OF CONSOLIDATION:

Included are all subsidiary companies in which the common stocks are wholly owned directly or indirectly by American Broadcasting-Paramount Theatres, Inc., and the few companies which are owned to the extent of 85% or more.

### NOTE A—INVESTMENTS:

Investments in and receivables from affiliated companies not consolidated are carried at cost to a predecessor company, Paramount Pictures Inc., to American Broadcasting-Paramount Theatres, Inc., or to subsidiaries.

Investments in affiliated companies include \$3,000,000, the purchase price of the outstanding preferred stock of Hobart Productions, Inc., which holds a contract for the services of Frank Sinatra. Its outstanding common stock is owned by Sinatra interests. Hobart Productions, Inc. has the option to redeem the preferred stock at par on or prior to December 31, 1960. Any stock not so redeemed will be automatically converted into common stock and if no redemption takes place the resulting common stock will represent a 40% interest in Hobart Productions, Inc.

The miscellaneous investments include \$2,533,789, the carrying value of unliquidated investments in certain theatres sold. These investments consist of stock and property interests sold since January 1, 1950 under contracts of sale secured by liens on the assets disposed of, at prices amounting in the aggregate to \$9,865,200. The sales prices, with interest thereon in most cases, are payable in instalments which in some cases are fixed periodic amounts but in the main are variable contingent amounts determined by the contractual provisions of the particular sale, and have final maturities in various years extending to 1983. Of the total sales prices, \$8,549,998 remained uncollected at January 3, 1959 and the difference between this amount and the present carrying value of the investments is a contingent profit which will be taken into the profit and loss accounts proportionately over future years as additional instalments of the sale prices are collected.

### NOTE B—FIXED ASSETS:

The fixed assets, with minor exceptions, are carried at cost, less depreciation, to the predecessor companies, Paramount Pictures Inc. and American Broadcasting Company, Inc., to American Broadcasting-Paramount Theatres, Inc., or to subsidiaries. Two properties of a consolidated subsidiary carried at a book value of \$180,973 are subject to a mortgage in the maximum amount of \$266,667 pledged to secure performance under certain leases of such subsidiary.

### NOTE C—NOTES ISSUED UNDER LOAN AGREEMENT:

These notes comprise (1) \$5,000,000 of 3.95% notes due \$1,250,000 semi-annually from July 1, 1960 to and including January 1, 1962 and (2) a 4.2% note in the amount of \$42,500,000 payable \$1,250,000 semi-annually from July 1, 1962 to and including July 1, 1972 and \$1,625,000 semi-annually from January 1, 1973 to and including July 1, 1977. The Loan Agreement provides that during the first nine months of 1959 the Company will borrow \$5,000,000 and has the option to borrow an additional \$5,000,000 to be evidenced by 4.2% notes due January 1, 1978.

#### NOTE D—CAPITAL STOCK AND SURPLUS:

There were outstanding on January 3, 1959 option warrants issued to officers and employees under the Common Stock Option Plan which entitled the holders to purchase 20,000 shares of the Company at \$25.18 per share on or before March 23, 1963. No other shares are reserved for issuance under options, warrants or any other rights.

The Company is required in each year to set aside cash as a sinking fund for the redemption of 24,322 shares of 5% Preferred Stock. The sinking fund redemption price became \$20 per share (par value) on June 30, 1958. The Company may take credit, at the sinking fund redemption price, for any shares which it may have purchased or redeemed otherwise than through the sinking fund. Shares have been applied in full satisfaction of the sinking fund requirements through 1958 and 141,314 additional shares purchased or redeemed are available for sinking fund requirements of subsequent years.

Under the Loan Agreement there are certain restrictions on the Company in declaring or paying any dividends (otherwise than in shares of capital stock of the Company) or making, or permitting any "restricted" subsidiary to make, any purchase, redemption or retirement of, or any other distribution upon, any of the shares of capital stock of the Company (otherwise than in such shares), said "stock payments" being permitted only to the extent of \$3,400,000 plus (1) the consolidated net earnings of the Company and its "restricted" subsidiaries (excluding amounts representing capital gains, less applicable taxes thereon) since December 31, 1955, and (2) the aggregate amount received subsequent to December 31, 1955 as the net cash proceeds of sales of shares of capital stock of the Company to the extent that such amount does not exceed the aggregate amount applied, subsequent to December 31, 1955, to the purchase, redemption or other retirement of shares of capital stock of the Company. These restrictions had the effect of making the capital surplus and \$22,754,637 of the consolidated earned surplus at January 3, 1959 unavailable for such "stock payments."

Under the Plan of Reorganization of Paramount Pictures Inc., the Company assumed 50% of the expense and liability incurred in connection with anti-trust litigation where distribution and exhibition are involved and which is based upon occurrences prior to the dissolution of Paramount Pictures Inc. on December 31, 1949. Payments of \$167,458 made during the year with respect to such litigation were charged to capital surplus.

#### NOTE E—RENTALS UNDER LEASES OF REAL PROPERTY:

American Broadcasting-Paramount Theatres, Inc. and its consolidated subsidiaries were liable as of January 3, 1959 under 278 leases of real property expiring subsequent to December 31, 1961 under which the minimum annual rental was approximately \$5,226,000. The minimum annual rentals stipulated in these leases which expire during the three five-year periods ending December 31, 1976 and subsequent to that date are as follows.

##### Leases expiring:

During the 5 years ending:	
December 31, 1966 .....	\$1,940,000
December 31, 1971 .....	1,133,000
December 31, 1976 .....	996,000
Subsequent to December 31, 1976 .....	1,157,000
	<u>\$5,226,000</u>

#### CONTINGENT LIABILITIES:

The Company and its subsidiaries have contingent liabilities under pending litigation, including anti-trust suits, to many of which a predecessor company, Paramount Pictures Inc., and other major motion picture companies are defendants. The amount of liability thereunder is not presently determinable.



## OPINION OF INDEPENDENT ACCOUNTANTS

PRICE WATERHOUSE & CO.

56 PINE STREET

NEW YORK 5

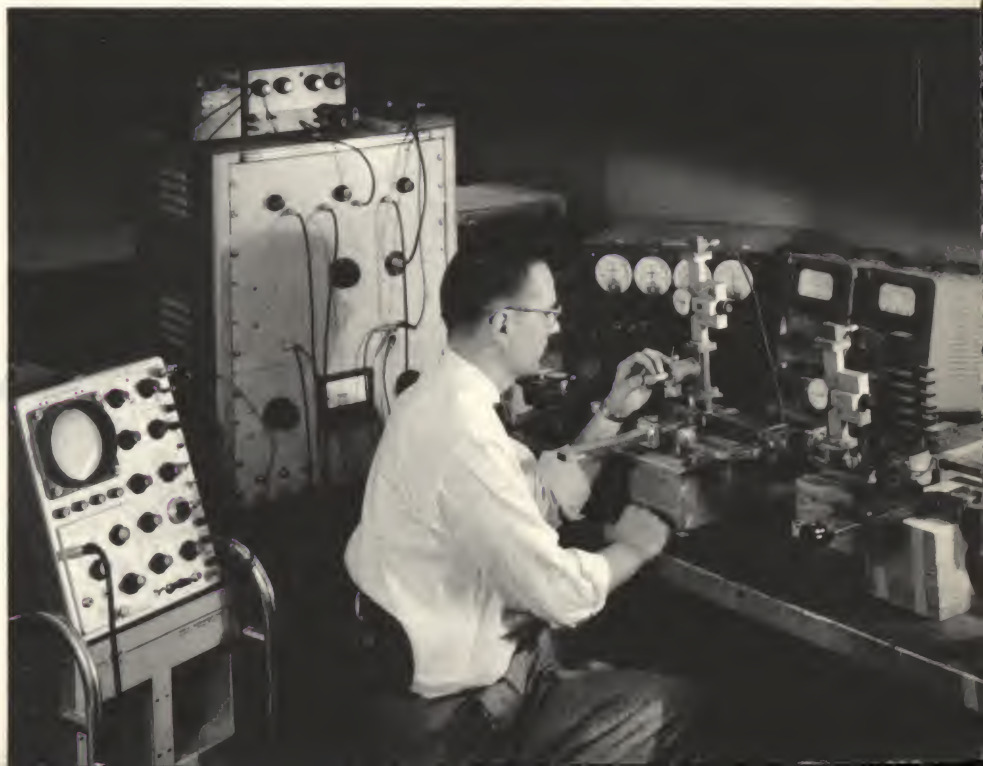
March 16, 1959

To the Directors and Shareholders of  
American Broadcasting-Paramount Theatres, Inc.

In our opinion, the accompanying consolidated balance sheet and related statements of profit and loss and surplus, together with the explanatory notes, present fairly the position of American Broadcasting-Paramount Theatres, Inc. and consolidated subsidiary companies at January 3, 1959 and the results of their operations for the fiscal year (53 weeks) then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

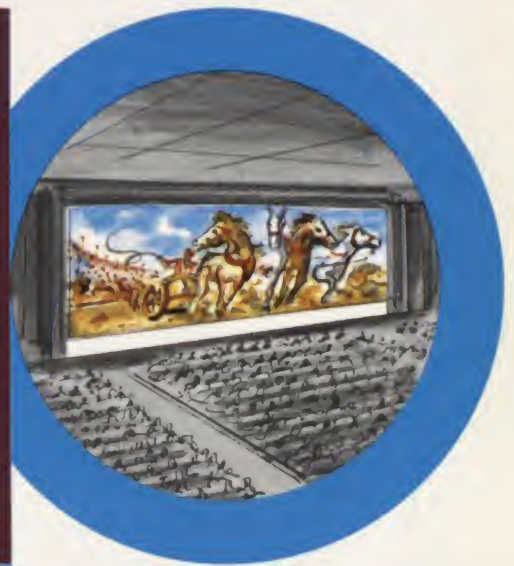
*Price Waterhouse & Co.*

AMERICAN BROADCASTING · PARAMOUNT THEATRES, INC. ANNUAL REPORT 1958





**AMERICAN BROADCASTING - PARAMOUNT THEATRES, INC.**



BOARDS

MRB  
653.4  
Am 352

## Board of Directors

A. H. BLANK  
Retired—a director of Tri-States Theatre Corporation\*

ALGER B. CHAPMAN  
Chairman of the Board of Beech-Nut Life Savers, Inc. and its Chief Executive Officer

JOHN A. COLEMAN  
Senior Partner, Adler, Coleman & Co.

E. CHESTER GERSTEN  
A director and member of the Executive Committee of Bankers Trust Company, N. Y.

LEONARD H. GOLDENSON  
President of the Corporation

ROBERT H. HINCKLEY  
Consultant to the American Broadcasting Company Division, Washington, D.C.

ROBERT L. HUFFINES, JR.  
Chairman of the Board of Worth Fund, Inc.

SIDNEY M. MARKLEY  
Vice-President of the Corporation

WALTER P. MARSHALL  
President of The Western Union Telegraph Company

JOSEPH A. MARTINO  
President of National Lead Company

H. HUGH McCONNELL  
Vice-President of Metropolitan Life Insurance Company

JAMES G. RIDDELL  
Vice-President of the American Broadcasting Company Division

SIMON B. SIEGEL  
Financial Vice-President and Treasurer of the Corporation

ROBERT B. WILBY  
Retired—a director of Alabama Theatres, Inc.\* and North Carolina Theatres, Inc.\*

\*A subsidiary of the corporation

## Executive Committee

JOHN A. COLEMAN, Chairman  
E. CHESTER GERSTEN  
LEONARD H. GOLDENSON  
ROBERT H. HINCKLEY  
WALTER P. MARSHALL  
H. HUGH McCONNELL  
SIMON B. SIEGEL

## Officers

LEONARD H. GOLDENSON, President  
SIMON B. SIEGEL, Financial Vice-President and Treasurer  
JEROME B. GOLDEN, Vice-President, Secretary and General Counsel  
HERBERT R. HAHN, Vice-President  
EDWARD L. HYMAN, Vice-President  
SIDNEY M. MARKLEY, Vice-President  
J. L. BROWN, Comptroller and Assistant Treasurer  
MARTIN BROWN, Assistant Treasurer  
OMAR F. ELDER, JR., Assistant Secretary  
EDITH SCHAFFER, Assistant Secretary  
MORTIMER WEINBACH, Assistant Secretary

## EXECUTIVE OFFICES

7 West 66th Street, New York 23, N. Y.

## INDEPENDENT ACCOUNTANTS

Price Waterhouse & Co.

## TRANSFER AGENT

Bankers Trust Company

## REGISTRAR

The Bank of New York